

ICF-SME revenue sources policy

A for-profit company, in general, generates its revenues from selling its products and goods or from offering fee-based services.

The same applies to the ICF-SME as it seeks to offer services of administrating funds and grants, and follow up on the donor-guided lending programs. Part of the revenues is used in covering expenses incurred by the company while exercising its operations. The remaining revenues will be shown as net income to be allocated as legal requirements and recognized net profits. These company's sources can be identified as two types of revenues:

I First revenue: revenues from daily acitivity

It includes a modifiable 4% management fees charged by the company for rendering its services in distributing to the banks' allocations for on lending by the banks to SMEs.

I A Fees charging percentage

The fee percentage is modifiable based on the nature of the granted funds. The basic percentage of the management fees is 4% modifiable as per the requirements of the received grant.

I B Method of collection:

These fees are collected quarterly after sending notifications, normally ten days ahead of the end of the quarter. If these fees are

not collected within seven days from their maturity date, an additional 10% fine shall be added to the amount due. Any new grants or funds shall be settled according to number of days in the quarter when such funds are distributed until adjusted to coincide with the first quarterly collection date, and thereafter quarterly for subsequent quarters.

II Second revenue: revenues from investment acitivity

They are achieved through the company's investment of its cash in hand and depositing such cash with banks as time deposits or as saving deposits, and which earn interest revenue for the company in accordance with the company's investment policy.

III Revenue Recognition

All revenues earned by the company accrue over time. The company recognizes such revenue earned as follows:

Management Fee Revenues: Management fees enter the income statement quarterly in arrears on a cash basis.

Investment Revenues: All interest earned on investments of the company enter the income statement monthly on an accrual basis with actual receipt of cash deferred until maturity of such investments.